



MIAMI BEACH

OFFICE OF THE CITY MANAGER
NO. LTC # 071-2015

LETTER TO COMMISSION

TO: Mayor Phillip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: February 12, 2015

SUBJECT: Status Report on London House Apartments

The purpose of this Letter To Commission is to provide a status update on the London House Apartments, a property acquired last year by the City from Miami Beach Community Development Corporation (MBCDC).

The London House Apartments is a two-building complex located at 1965-1975 Washington Avenue. The building, acquired with City Redevelopment Agency funds in 2007, had been under rehabilitation by MBCDC. In 2013, the City began an extensive inquiry into this project and MBCDC's handling of the federal rehabilitation funds involved. The London House Apartments were awarded \$1.3 million in Neighborhood Stabilization Program (NSP3) funds that required the project to be completed no later than March 2014.

When it became apparent that MBCDC did not have the fiscal or operational capacity to complete the project, the City sought the return of the property as a means of salvaging the project and securing the NSP3 funds that were at-risk of loss. The City acquired the property on March 13, 2014. The City obtained an expenditure extension from HUD so as to complete the project and prevent the loss of these funds.

Subsequent to acquisition, the City's Office of Capital Improvements Projects became the Project Manager and contracted with Team Contracting to serve as the project's general contractor. With completed, approved plans, Team Contracting has begun work on the 1965 building. Construction on this building is expected to be completed by May 31, 2015. The 1975 building plans are now in review and its rehabilitation is expected to be completed by February 2016.

In the interim, City staff is working to finalize a right of way easement that will enable disability access as well as finalize the funding agreement with Miami-Dade County for the surtax loan funds previously awarded to the project via MBCDC.

If you have any questions, please feel free to see me.

JLM/KGB/MLR

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